

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Smith Dairy Products Co.

#### Ohio Manufacturing Extension Partnership

#### Smith Dairy Products Saves \$500,000 Annually By Improving Business Processes

##### Client Profile:

Smith Dairy Products Company is headquartered in Orrville, Ohio, with production facilities in Ohio and Indiana. Smith Dairy Products has provided customers with a full line of quality dairy products since 1909. Smith Dairy also manufactures the premium Ruggles® brand of ice cream and the Moovers™ line of UHT single-serve milk products. The company employs less than 250 people.

##### Situation:

Smith Dairy Products recently formed a cross-functional team of employees and charged it with assessing the company's procurement practices. The team had two goals: determine how Smith's practices compare to those used in similar businesses, and identify and recommend improvements. Smith Dairy Products asked CAMP, a NIST MEP network affiliate and division of the Ohio Manufacturing Extension Partnership, to help evaluate and improve its purchasing practices.

##### Solution:

CAMP worked with Smith Dairy Products' project team to broaden the view of the team and assist in identifying ways the company could take advantage of improved industry practices. The company hoped to leverage purchases across plants; streamline processes to approve and pay invoices; reduce turnaround time for invoice approval; and establish standard procedures for requisitioning and purchasing. To help Smith Dairy Products meet these objectives, CAMP recommended the development of a value stream map, an approach that involves documenting the current systems and procedures to develop a high-level map of current procurement practices. By comparing the documented practices to other industry practices in this format, CAMP was able to identify areas in which Smith Dairy Products had opportunities to improve.

Once CAMP and the Smith Dairy Products team had created a current state procurement flow chart, CAMP examined the company's business objectives and metrics, developed a future process flow chart, conducted a gap assessment, and produced a prioritized project list report. This report became the focus of Smith's new procurement system plan.

##### Results:

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Avoiding capital costs of \$200,000.

Anticipating annual savings of \$500,000.

**Testimonial:**

“We would definitely use CAMP again in the future. The business improvements they have suggested will effect the changes we make to improve our operations and efficiencies.”

Steve Hines, Vice President of Finance